

VZCZCXRO2001
OO RUEHCI
DE RUEHKT #3264/01 3560206
ZNY CCCCC ZZH
O 220206Z DEC 06
FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4270
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 5169
RUEHLM/AMEMBASSY COLOMBO PRIORITY 5437
RUEHKA/AMEMBASSY DHAKA PRIORITY 0608
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 3436
RUEHLO/AMEMBASSY LONDON PRIORITY 4800
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0717
RUEHCI/AMCONSUL CALCUTTA PRIORITY 2941
RUEHGV/USMISSION GENEVA PRIORITY 1391
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2266
RHEFDIA/DIA WASHDC PRIORITY
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 003264

SIPDIS

SIPDIS

STATE FOR SCA/INS, S/CT

E.O. 12958: DECL: 12/22/2016

TAGS: [PTER](#) [PGOV](#) [PREL](#) [EFIN](#) [KTFN](#) [NP](#)

SUBJECT: NEPAL NOT INTERNATIONAL TERRORIST SAFE HAVEN...YET

Classified By: Charge d'Affaires Nicholas J. Dean. Reasons 1.4 (b/d).

Summary

1. (C) Top GON security officials indicated to S/CT Deputy Coordinator Virginia Palmer December 15-17, that although non-Maoist terrorist activity was currently minimal, Nepal's troubled law and order situation offered potential safe haven conditions to such groups. Despite progress in the peace process, the country's police and military acknowledged severe weaknesses in anti-terrorism capabilities and GON diffidence in combating continued Maoist abductions and threats, which they blamed on political leaders' reluctance to "rock the boat" with the Maoists. Police, military, and government officials were appreciative of U.S. assistance and expressed a desire for increased and targeted training programs to strengthen their law enforcement capabilities, particularly in order to reduce voter fear of the Maoists in the run-up to the upcoming June 2007 elections.

No International Terrorists Here

2. (C) Police Inspector General Om Bikram Rana, Armed Police Force Inspector General Basu Dev Oli, Army Military Intelligence Director Brig. Gen. Kumar Budathoki, and Home Ministry Joint Secretary Baman Prasad Neupane all separately asserted to S/CT Deputy Coordinator Palmer that there was no evidence international terror groups were operating out of Nepal, beyond some negligible transit and planning activities. However, they recognized that the open, 1,400 km border with India offered potential for safe haven in Nepal, and argued that disaffected Nepali Muslims might provide support to terrorists across the border, especially given the large Muslim populations of the neighboring Indian states of Uttar Pradesh and Bihar. Inspector General Rana, who is the top Police official, was the most pessimistic of the four, believing that some terrorist groups were recruiting poor Nepali Muslims, and that the few hundred that went to the Gulf for Islamic education in madrassas had to be closely monitored. That said, Rana saw little radicalization of Muslims in Nepal as yet, with limited Deobandi influence and no Wahhabi ideology being spread in Nepal. Joint Secretary

Neupane revealed that the Home Ministry had established an inter-agency Anti-Terrorism desk in November 2006 to coordinate counter-terrorism activities, however, its activity appeared to be limited. Highlighting another potential weakness which could be exploited by international terrorists, Department of Immigration Director General Navin Kumar Ghimire noted that almost all Nepali documentation was produced with pen and ink and there is no connectivity between border posts or even between immigration headquarters and airports.

Law Enforcement Slow to Recover

13. (C) Journalists and human rights representatives lamented to Deputy Coordinator Palmer that the Government of Nepal was not enforcing law and order. Police Inspector General Om Bikram Rana and Home Ministry Joint Secretary Baman Prasad Neupane both touted the fact that the police had reoccupied around 250 out of the 1,200 police stations dotting the country, with Neupane declaring that the remaining stations would be occupied in a month. They were optimistic that Maoist opposition to this process would diminish and emphatically argued that the police would not tolerate any Maoist intimidation and extortion. However, when pressed by Deputy Coordinator Palmer, both Rana and Neupane admitted that the police had not made a single arrest of Maoists since the November peace accords. Inspector General Rana offered that this was due to a lack of complaints and evidence (Comment: This is clearly bogus. End Comment). Neupane eventually acknowledged political leaders' reluctance to confront Maoists at a time when the peace process was under

KATHMANDU 00003264 002 OF 003

way. However, somewhat confusingly, he denied any suggestion that the Government had not provided clear instructions to the police.

Maoists Are (Not) Terrorists

14. (C) GON, police, military, and human rights representatives were all concerned about Maoist behavior, acknowledging continued extortion and abductions of children for forcible recruitment. While they were careful not to characterize these as terrorist actions because of Nepali political sensitivities, most appeared grateful for consistent U.S. designation of Maoists as terrorists, seeing U.S. policy as a means to keep the Maoists "honest," now that even India had taken the Maoists off their terrorist list. Indeed, Ministry of Foreign Affairs Joint Secretary Dinesh Bhattarai said over lunch, "you are saying what we are thinking." Neupane and Budathoki believed that Maoists were intent on joining the mainstream, and attributed Maoist abuses to rogue elements, asserting that the Maoists were not a formal organization and that it might make system-wide control difficult. Deputy Coordinator Palmer expressed skepticism, noting that it would not be difficult for the Maoist leadership to issue a clear nationwide statement to stop intimidation and harassment. None of the officials thought that integrating the Maoist militias into the police and armed forces was a good idea, positing that such a course would politicize these forces and reduce their professionalism. However, they appeared resigned to this eventuality.

Armed Police Force Still Needed?

15. (C) Armed Police Force (APF) Inspector General Oli defended the need to maintain the APF, arguing that its mandate was much larger than combating the Maoist insurgency, and that it included addressing transnational security threats, counter-terrorism, broader internal security, border control, riot control, disaster response, VIP protection, and infrastructure security. He also recalled the APF's

participation in numerous UN peacekeeping operations, and claimed that it continued to get more requests from the UN than they were able to fill. Oli admitted that there were no policy directives yet regarding the future of the APF, and warned that merging them into the Nepal Police or Army would mean that their specialized skills would be lost. Oli saw the APF as a back-up to the Police in maintaining law and order, and emphasized instead the APF's border security skills as a compelling rationale for retaining the APF's separate mandate, given the potential for transborder terrorism. The IG also mentioned the work of a covert intelligence wing that monitored such activity, and was open to U.S. help in improving their surveillance and analysis capabilities.

Sectarian Conflict is a Strong Possibility

16. (C) Human rights leaders expressed their belief that unless deep-seated inequities were rectified, sectarian conflict was inevitable in Nepal. They argued that the higher castes dominated positions of power, including within the Maoist leadership, and that the violent, separatist Maoist-splinter Janatantrik Terai Mukti Morcha movement in southern Nepal portended a larger sectarian trend in Nepal. In their view, the Maoists had tapped into a wellspring of discontent, and the Government had not recognized the need to address this disaffection. They further said that the Muslim population was vulnerable because they felt left out of the current political process. Military Intelligence Director Budathoki was also critical of the political leadership's nepotistic ways, claiming that sycophancy was the greatest barrier to a vibrant multi-ethnic and multi-caste representation in government because it limited new entrants

KATHMANDU 00003264 003 OF 003

into the current political parties that are dominated by upper caste individuals.

U.S. Help Appreciated

17. (C) Each branch of government was deeply appreciative of U.S. assistance, particularly in training the armed forces and police. The APF and Police requested that these training programs be increased, and wondered if the U.S. could develop targeted courses for Nepal. Deputy Coordinator Palmer agreed to consider it and also suggested combined training with other South Asian countries, an idea that met with a positive response. The police emphasized cybercrime, particularly financial aspects as their biggest need. The APF provided a prepared list of needs that included training topics and equipment support, and agreed to prioritize and quantify the various items. Human rights representatives pushed the U.S. to increase awareness training of Nepal's armed forces, particularly for those in leadership. They were particularly critical of the APF, accusing its forces of being the worst human rights offenders.

Strong Anti-Terrorism Legislation Required

18. (C) Nepal Rastra Bank Executive Director Surendra Man Pradhan acknowledged deficiencies in the country's legislation against money laundering and terrorism finance, but was optimistic that a robust anti-money laundering bill, currently under review at the Ministry of Law and Justice, would be presented in parliament within the next three weeks. Pradhan also appeared receptive to Deputy Coordinator Palmer's suggestion that the U.S. could help refine this draft legislation to conform to international standards.

Comment

19. (C) Nepal's open border with India, its lack of law and

order, and its deep-seated sectarian inequities provide the sort of inviting vacuum that terrorist groups can exploit. While Maoist terrorist activity has greatly reduced, Maoists continue to exhibit reprehensible behavior to which law enforcement turns a blind eye. Even though the terrorist threats of present appear to be inwardly directed with little evidence of any activity by international terrorist groups, the potential is there. With a modest measure of security assistance, the United States can greatly fortify Nepal's hobbled counter terrorism efforts and help ensure that Nepal does not become another terrorist staging ground in an already troubled South Asia.

DEAN